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June 27, 2014

Judge Leonard D. Wexler
United States District Court
Eastern District of New York
100 Federal Plaza
Central Islip, NY 11722

Re: United States of America v. Gershon Barkany, No. 13-cr-00362

Dear Judge Wexler:

We represent Cortland Realty Investments LLC, which lost over \$45 million in the Ponzi scheme perpetrated by Mr. Barkany during the period 2008 to 2010 (the "First Barkany Ponzi Scheme"), the various other creditors of the First Barkany Ponzi Scheme and Barkany Asset Recovery & Management LLC, an entity established by our clients to recover and administer assets stolen by Mr. Barkany and which holds a judgment against Mr. Barkany and his entities in excess of \$66 million (the "Judgment").

We are writing with respect to Mr. Barkany's request submitted to the Court by letter dated June 26, 2014, for permission to travel to California. For the reasons set forth below, we respectfully urge the Court to deny this and any other similar requests.

1. Mr. Barkany's claim to be cooperating with his creditors and working to accomplish restitution is, in our view, a fabrication. Although Mr. Barkany did spend considerable time with us prior to his arrest, he never ceased his dishonest conduct. We subsequently learned that the "cooperation" provided by Mr. Barkany was, at best, selective and that Mr. Barkany concealed assets and bank accounts and repeatedly violated the commitment he made to our clients to discontinue his fraudulent activities.

2. Our recent efforts to obtain even basic assistance from Mr. Barkany have repeatedly been rebuffed with refusals and false information. Mr. Barkany seems to have an endless amount of time to solicit new investors whom he claims will enable him to repay our clients. However, he has stonewalled our recent efforts to recover assets and protect our clients' interests. Even if he manages to deliver such funds, we have very serious concerns as to their real source.

3. Mr. Barkany has used his freedom to harass former investors and acquaintances including our clients. We view credibly and with great concern the rumors being brought to our

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attention that Mr. Barkany has recently approached potential investors using an alias rather than his real name.

4. We are also concerned that Mr. Barkany is a serious flight risk. A substantial amount of the money Mr. Barkany stole from our clients remains unaccounted for and our ongoing investigation (which we started in December 2010) leads us to believe that these funds were secreted by Mr. Barkany and/or others who have aided his activities. Although we discovered early in our investigation that Mr. Barkany transferred several million dollars to various relatives and other parties in Israel (and may also have sent funds to Ukraine) for no consideration, information that we recently discovered suggests that he withheld a substantial additional amount of our money and that he may have transferred substantial additional funds to Israel and other jurisdictions. In addition, relatives of Mr. Barkany have provided him with substantial financial support for at least several years and will likely continue to do so regardless of where he is.

To be sure, Mr. Barkany did initially ostensibly "assist" our efforts to recover certain assets - low hanging fruit. However, his representation to the Court that he has made \$30 million of restitution is utterly false and the overwhelming share of our Judgment remains outstanding. Our clients have no confidence in Mr. Barkany's alleged efforts to repay them and view any request that he be allowed to leave the immediate New York area as a serious mistake.

We have not taken a position heretofore because our clients had hoped (perhaps unrealistically) that Mr. Barkany had truly reformed himself following his arrest and that he would provide genuine cooperation to his victims. Unfortunately, it is now evident that he remains precisely the same criminal that he has always been.

Respectfully

A handwritten signature in dark ink, appearing to read "Alan H. Katz", with a stylized flourish at the end.

Alan H. Katz